

---

# *7 Status of Funds Table of Contents*

What is a Status of Funds .....	7-1
Why Prepare One? .....	7-2
Who Prepares the Status of Funds? .....	7-2
How to Prepare the Status of Funds .....	7-3
Status of Funds and the Foundation Financial Information System (FFIS) .....	7-6
Chapter 7 Exhibits	
Exhibit 7-1     Status of Funds Responsibilities	
Exhibit 7-2     Sample Program Status of Funds	
Exhibit 7-3     Status of Funds Timeframe	

---

# 7

## *Status of Funds*

### **What is a Status of Funds?**

The status of funds begins with document processing and financial reconciliation and ends with analysis and reporting. The purpose of the status of funds process is to project balances of obligations and availability of funds through the end of the fiscal year. Reports derived from the status of funds process include year-to-date obligations, both in non-recurring and recurring budget object codes; projected end-of-year obligations including estimates for non-recurring obligations<sup>1</sup> (planned one-time purchases); and projected end-of-year balances. These reports are developed based on the latest available accounting data, adjustments, and estimates of non-recurring spending. The development of the status of funds begins by reviewing all known data including the current rate of spending and historical spending trends. Once all data is reviewed for accuracy, the projected obligations and balances can be developed. Because the status of funds is not just a compilation of numbers, planned and year-to-date program accomplishments also must be reviewed. In addition to addressing a unit's financial status, the status of funds also must present the general health of the unit and its program accomplishments.

---

<sup>1</sup>These were previously referred to as "add-ons." The preferred term is non-recurring expenditures.

**Why Prepare One?**

The status of funds is a useful management tool. In addition to ensuring the Agency does not violate the Anti-Deficiency Act, the status of funds process (and resulting reports) provides the Administrator, Deputy Administrators, and program managers with the opportunity to review program accomplishments; to make decisions on the direction of a program; to identify major spending needs; and to identify potential problem areas needing greater management attention.

Potential problems might necessitate hiring freezes, spending limits, and/or the reprogramming of funds.<sup>2</sup>

**Who Prepares the Status of Funds?**

The status of funds is similar to a pyramid, with the area and State obligations at the bottom, added together to get regional obligations, and then added to the headquarters obligations to arrive at a total APHIS obligation at the top. On a monthly basis (depending on the program unit), the regional/area/State offices download, process, and reconcile data from the National Finance Center's (NFC) Central Accounting System (CAS) and prepare regional status of funds reports including funding availability, year-to-date obligations, projected end-of-year obligations, and projected end-of-year balances. In addition, the regional and area/State offices prepare accounting adjustments and estimate planned non-recurring expenditures. The regional and area/State status of fund reports are forwarded to the Resource Management Staffs (RMS). These staffs consolidate the regional reports and prepare a unit level status of funds report.

---

<sup>2</sup> The reprogramming of funds from one program to another may be necessary when a potential deficit of \$500,000 or more has been identified. The House and Senate Appropriations Committees require the Agency to notify them of reprogramming plans.

**Who Prepares the  
Status of Funds?  
(Continued)**

These reports are then forwarded to the Budget and Accounting Division's (BAD) Budget and Program Analysis Branch (BPAB). In some cases, this involves monthly meetings between the RMS and the BPAB analyst. In other cases, the status of funds report is simply forwarded to the BPAB analyst. The BPAB analyst then uses the reports prepared by the RMS to prepare various special analyses to identify spending trends and emerging issues and/or problems. The analyst then presents the material to the BAD Director. The material from each unit is then consolidated into an Agency status of funds and presented to the Administrator.

The status of funds process differs slightly in the support units. For a number of the support units, for example, Management and Budget, Organizational and Professional Development, and the Office of the Administrator, the entire status of funds process is performed by the BPAB analyst, from reconciliation to analysis and reporting. Other support units, such as Legislative and Public Affairs and Policy and Program Development, reconcile their own documents but rely on BPAB for analysis and reporting.

**How to Prepare the  
Status of Funds**

The status of funds process serves to provide information regarding total obligations to date, planned obligations to date, remaining available funds, and where and how funds have/are being spent. This is a monthly process which begins with accounting reports.

All APHIS obligations are recorded in the CAS. The CAS data is the official accounting record for the Agency, and provides the only common base of numbers for field, program headquarters, and BAD use. Accounting reports include transactions through the last day of the previous month, and are generally available from NFC by the 10th of the following month, i.e., data through July 31, is usually available by August 10th.

**How to Prepare the  
Status of Funds  
(Continued)**

Detailed accounting reports (I-1's) provide a list of individual transactions by budget sub-object classification codes, for the previous month only. Summary accounting reports (A-1's) total all transactions for the Fiscal Year, through the last day of the previous month, by budget sub-object classification codes. The detailed (I-1) reports are used to reconcile transaction documents to determine whether they are included in current data, and to be certain that amounts posted are correct and charged to correct accounting codes. After this process has been completed, the development of status of funds reports can begin.

Although the status of funds process can include numerous transaction documents, the process is basically the same as in the reconciliation of a personal checkbook in which you make certain that bank entries are correct, you make necessary adjustments, and you determine remaining availability and a projected balance after subtracting remaining expenses for a given time.

Based on this information, individuals determine whether goals are being achieved and where spending needs to be changed to achieve desired goals. Although the terminology is somewhat different when dealing with APHIS accounts rather than a personal checking account, the same types of issues are considered in developing an effective status of funds. These include:

- ◆ Comparing actual accomplishments to program goals;
- ◆ Reviewing changes in program activities;
- ◆ Reviewing seasonal variations in programs;
- ◆ Identifying attainable program accomplishments in accordance with program goals; and
- ◆ Comparing resources to program needs.

**How to Prepare the  
Status of Funds  
(Continued)**

Although the CAS data serves as a common base, several adjustments are necessary for developing status of funds projections. The standard status of funds formula is:

- 1) Obligations (from CAS reports).
- 2) Plus or minus adjustments (to correct errors).
- 3) Minus non-recurring items (sporadic or one-time obligations) from total obligations prior to projecting recurring obligations.
- 4) Projected recurring obligations (current recurring obligations divided by the days elapsed, multiplied by the number of working days in the year).
- 5) Plus non-recurring obligations year-to-date.
- 6) Plus the estimated total costs for non-recurring items for the remainder of the Fiscal Year.
- 7) Plus or minus adjustments (seasonal variations in normal recurring obligations)
- 8) End-of-year (EOY) projected obligations
- 9) Allocation minus EOY projection = projected balance -surplus/deficit.

The order of the formula above is suggested by BAD but may be modified by the Units. The result of the formula is projected EOY obligations. By comparing the EOY obligations to the allocation, one can find the projected balance for the year. APHIS managers at all levels can compare the projections to the allocations and make necessary adjustments accordingly.

**How to Prepare the  
Status of Funds  
(Continued)**

Each month the process repeats itself with projected balances being adjusted for events occurring during the month. Due to these adjustments, preparation of the monthly status of funds becomes an involved and time-sensitive process.

In reviewing and projecting obligations by object class, the primary concern for most Agency accounts is with salaries and benefits, as these comprise the bulk of Agency costs and there is little flexibility in controlling these costs. It is recommended that salary and benefit costs are reprojected each month, due to changes resulting from promotions, retirements, leave without pay, overtime, within grade increases, cost of living and locality pay increases, and changes to benefits. The projected costs for salaries and benefits determine the changing availability for all other expenses, such as travel, training, equipment, and supplies.

**Status of Funds and  
the Foundation  
Financial  
Information System  
(FFIS)**

APHIS is planning to develop a status of fund report which can be produced from the data warehouse that NFC is developing in conjunction with the new accounting system, FFIS. APHIS plans to convert to this new system on or about October 1, 1998. During FY 1998, BAD will work with the units to determine their requirements for status of funds reporting. See Chapter 14 for additional information regarding FFIS.